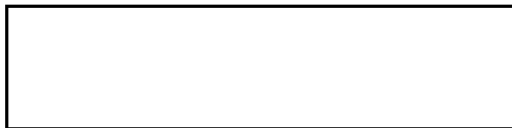


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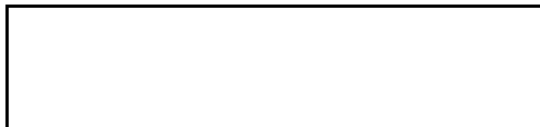
**SINO-SOVIET BLOC  
ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

**EIC-WGR-1/46**

**12 November 1957**

**PREPARED BY THE WORKING GROUP  
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES  
IN UNDERDEVELOPED AREAS**

**ECONOMIC INTELLIGENCE COMMITTEE**



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events  
25 October - 7 November 1957

25X1 The signing of an economic aid agreement between the USSR and Syria and the possible offer of economic and military aid to Egypt by the USSR highlight the economic activities of the Sino-Soviet Bloc in the underdeveloped countries of the Free World during the period 25 October - 7 November. The Syrian-Soviet agreement calls for Soviet aid in the form of a line of credit in rubles as well as technical assistance. Although the agreement does not specify the amount of aid to be extended, [redacted] the aid might amount to as much as \$168 million if all projects are implemented. It is believed that General Amer, Egyptian Minister of Defense and Commander of the Egyptian-Syrian Joint Command, who arrived in Moscow on 1 November for an extended visit, is seeking additional arms for Egyptian forces. [redacted]

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25X1 The first major construction project undertaken by the Soviet Bloc in Syria, the petroleum refinery at Homs, has apparently encountered difficulties. Most recently, Syrian workers demonstrated against the Czechoslovak firm Technoexport, protesting the firm's hiring practices. In Iran, the USSR protested recommendations made to the Iranian Economic High Council that the USSR be awarded a contract for the construction of only 1 grain elevator, contending that it should receive contracts for 3 additional elevators as well.

Other economic activities of the Soviet Bloc in the Middle East and Africa include the signing of a protocol to the existing trade agreement between East Germany and Egypt, which calls for increased trade between the two countries; the signing of a contract under which the USSR is to supply an oil-processing and research plant to Egypt; and a Polish offer to help Jordan prospect some small iron ore deposits and furnish the technical advice and equipment needed for their development.

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Czechoslovakia and Iceland have signed a new 3-year trade agreement following the expiration of a similar agreement signed in August 1954. On 1 November Yugoslavia and the USSR signed a 1958 trade protocol (within the framework of the 3-year arrangement between the two countries), calling for a \$125-million total turnover (the 1957 target was \$112 million). In contrast to difficulties encountered in arriving at the expiring protocol, Yugoslavia seems to have had relatively little trouble in concluding agreements for 1958 with countries of the Soviet Bloc.

On 18 October Argentina signed bilateral trade and payments agreements with Czechoslovakia, Poland, and Hungary which will supersede previous agreements.

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